

SETTLEMENT AGREEMENT

The Commissioner of Labor (here in after referred to as "Commissioner") and the Environmental Construction Inc, herein after referred to as "Employer") hereby agree as follows:

The Commissioner amends the Safety Order(s) and Notification(s) of Penalty, IOSHA Inspection No. 312654700 issued to the Employer on May 6, 2009 in the following manner.

SAFETY ORDER 01:

Item 1: Upheld; penalty reduced to \$ 1430.00

SAFETY ORDER 02:

Item 1: Upheld; penalty reduced to \$ 12,870.04

Additionally the Employer agrees to a twelve (12) month, \$ 1191.67 each
PAYMENT PLAN: 1st May 26, 09, 2nd June 26, 09, 3rd July 26, 09, 4th Aug 26, 09, 5th Sept 26, 09, 6th Oct 26, 09, 7th Nov 26, 09, 8th Dec 26, 09, 9th Jan 26, 10, 10th Feb 26, 10, 11th March 26, 10, 12th Apr 26, 10.

Except for the above specified amendments all other provisions of Safety Order Number 312654700 are retained intact.

The TOTAL AGREED PENALTY is \$ 14,300.04

THE EMPLOYER IS SATISFIED WITH THE AMENDMENTS STATED ABOVE AND ACCORDINGLY WAIVES ITS RIGHT TO FILE A NOTICE OF CONTEST OF THE SAFETY ORDER(S) AND NOTIFICATION(S) OF PENALTY AS AMENDED AND AGREES TO WITHDRAW ANY PREVIOUSLY FILED NOTICES OF CONTEST IN THIS MATTER.

Upon full execution of this Settlement Agreement the Employer will post this Agreement for three (3) working days or until abatement is completed, whichever period is longer.

The total AGREED PENALTY is due and payable on within fifteen (15) working days from the Employer's execution of this Agreement. The Employer further agrees that if the AGREED PENALTY is not paid within fifteen working days from the Employer's execution of this Agreement, that the full amount of the penalty initially assessed against the Employer in the Safety Order(s) and Notification(s) of Penalty which are the subject of this Agreement is due and payable immediately.

The Safety Order(s) and Notification(s) of Penalty are, and shall be, herein a final and enforceable Order of the Board of Safety Review.

Except for this agreement, and matters arising out of this agreement and any other subsequent IOSHA proceedings between the parties, none of the foregoing agreements, statements, findings, and actions taken by Employer shall be deemed an admission by Employer of the allegations contained within the Safety Order(s) and Notification(s) of Penalty. The agreements, statements, findings and actions taken herein are made in order to compromise and settle this matter economically and amicably, and they shall not be used for any other purpose, except as herein stated.

Environmental Construction Inc

By: Sammy Messersmith

Title: Corp. Sec.

Date: 4-30-09

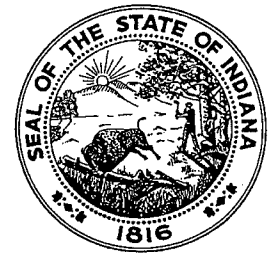
COMMISSIONER OF LABOR

By: [Signature]

Title: [Signature]

Date: 5/11/09

Indiana Department of Labor
Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: (317) 232-1979 FAX: (317) 233-3790



Certified mail # 7008 1830 0003 4262 2770 4-14-09 JH

Safety Order and Notification of Penalty

To:
Environmental Construction Inc.,
and its successors
13150 West County Road 300 North
Attn: Jody Hicky
Yorktown, IN 47396

Inspection Number: 312654700
Inspection Date(s): 01/28/2009 - 03/26/2009
Issuance Date: 04/14/2009

Inspection Site:

Carrol & West Street
Carrol Street Water Main Project
Wabash, IN 46992

The violation(s) described in this Safety Order and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

An inspection of your place of employment has revealed conditions which we believe do not comply with the provisions of the Indiana Occupational Safety and Health Act (Indiana Code Chapter 22-8-1.1) or the standards or rules adopted thereunder. Accordingly, enclosed please find safety order(s) and notification(s) of penalty describing such violation(s) with references to applicable standards, rules, or provisions of the statute and stating the amount of any penalty(ies).

Informal Conference - Please be advised that it may be possible to informally settle any potential dispute without initiating the more elaborate proceedings brought on by a petition for review. Prior to filing a petition for review, you may request an informal conference concerning any of the results of the inspection (safety orders, penalties, abatement dates, etc.) by contacting the Indiana Department of Labor/IOSHA, preferably by telephone, in a prompt manner. Please be advised that a request for an informal conference cannot extend the fifteen working day period for filing a petition for review. Informal conferences frequently resolve any possible disputes, and therefore you are urged to take advantage of this opportunity. Because of the limited time period and in order to facilitate scheduling, any requests for an informal conference should be made promptly upon your receipt of the safety order(s) and notification(s) of penalty.

Right to Contest - You are hereby also notified that you are entitled to seek administrative review of the safety order(s), penalty(ies), or both by filing a written petition for review at the above address postmarked within

fifteen working days of your receipt of the safety order(s) and notification(s) of penalty. ("Working days" means Mondays through Fridays, but does not include Saturdays, Sundays, legal holidays under a state statute or days on which the Indiana Department of Labor's offices are closed during regular business hours). If you do not file such a petition for review (contest), the safety order(s) and penalty(ies) shall be deemed final orders of the Board of Safety Review and not subject to review by any court or agency. The issuance of a safety order does not constitute a finding that a violation has occurred unless no petition for review is filed, or if a petition for review (contest) is filed, it must contain a statement of its basis and should reference the above inspection number. Upon receipt of your petition for review, we will affirm, amend or dismiss the safety order(s) and notification(s) of penalty. If we affirm, your petition for review will be granted (unless it was not timely) and the dispute will be certified by the Board of Safety Review for further proceedings. The Board of Safety Review is an independent agency appointed by the governor with authority to conduct hearings and to issue decisions concerning disputed safety order(s) and notification(s) of penalty. If we amend the safety order(s) or notification(s) of penalty, your petition for review shall be deemed moot. However, you will then be given an opportunity to file a petition for review concerning the amended safety order(s) and notification(s) of penalty.

Please be advised that an employee or representative of employees may file a petition for review to contest the reasonableness of the time stated in the safety order(s) for the abatement of any violation.

Posting - Upon receipt of any safety order(s) you are required to post such safety order(s), or a copy thereof, unedited, at or near each place an alleged violation referred to in the safety order(s) occurred. However, if your operations are such that it is not practicable to post the safety order(s) at or near each place of alleged violation, such safety order(s) shall be posted, unedited, in a prominent place where it will be readily observable by all affected employees. For example, if you are engaged in activities which are physically dispersed, the safety order(s) may be posted at the location from which the employees operate to carry out their activities. You must take steps to ensure that the safety order is not altered, defaced, or covered by other material. Posting shall be until the violation is abated, or for three working days, whichever is longer.

Penalties - Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Abatement does not constitute payment of penalties.

Abatement - The conditions cited in the safety order(s) must be corrected (abated) on or before the date shown for each item on the safety order(s) and notification(s) of penalty unless:

(1) You file a petition for review concerning the violation, in which case the full abatement period shall commence from the issuance of a final decision by the Board of Safety Review or the courts which requires compliance with the safety order; or

(2) The abatement period is extended by the granting of a petition for modification of abatement date.

PMAs - The petition for modification of abatement date is a manner in which you may seek additional time to correct (abate) a violation without having to file a petition for review concerning the safety order, or after the expiration of the time period to file such a petition for review when it becomes apparent that you need extra time to abate the violation. A petition for modification of abatement date shall be in writing and shall include the

following information:

(1) All steps you have taken, and the dates of such actions, in an effort to achieve compliance during the prescribed abatement period.

(2) The specific additional abatement time necessary in order to achieve compliance.

(3) The reasons such additional time is necessary, including the unavailability of professional or technical personnel or of materials and equipment, or because necessary construction or alteration of facilities cannot be completed by the original abatement date.

(4) All available interim steps being taken to safeguard employees against the cited hazard during the abatement period.

(5) A certification that a copy of the petition has been posted, and if appropriate, served on the authorized representative of affected employees, and a certification of the date upon which such posting and service was made.

A petition for modification of abatement date shall be filed with the Indiana Department of Labor/IOSHA no later than the close of the next working day following the date on which abatement was originally required. A later-filed petition shall be accompanied by the employer's statement of exceptional circumstances explaining the delay. A copy of such petition shall be posted in a conspicuous place where all affected employees will have notice thereof or near such location where the violation occurred. The petition shall remain posted until the time period for the filing of a petition for review of the Commissioner's granting or denying the petition expires. Where affected employees are represented by an authorized representative, said representative shall be served a copy of such petition.

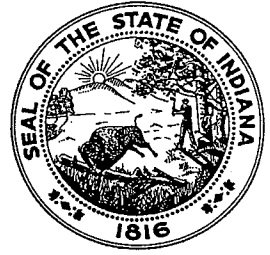
Notification of Corrective Action - Correction of the alleged violations which have an abatement period of thirty (30) days or less should be reported in writing to us promptly upon correction. A "Letter of Abatement" form and an "Abatement Photographs" worksheet are enclosed for your assistance in providing adequate documentation of abatement. Reports of corrections should show specific corrective action on each alleged violation and the date of such action. On alleged violations with abatement periods of more than thirty (30) days, a written progress report should be submitted, detailing what has been done, what remains to be done, and the time needed to fully abate each such violation. When the alleged violation is fully abated, we should be so advised. Timely correction of an alleged violation does not affect the initial proposed penalty.

Followup Inspections - Please be advised that a followup inspection may be made for the purpose of ascertaining that you have posted the safety order(s) and corrected the alleged violations. Failure to correct an alleged violation may result in additional penalties for each day that the violation has not been corrected.

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the Indiana Department of Labor/IOSHA at the address shown above.

Notice to Employees - The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the Indiana Department of Labor/IOSHA at the address shown above within fifteen (15) working days (excluding weekends and State holidays) or receipt by the employer of this safety order and penalty.

If you wish additional information, you may direct such requests to us at the address or telephone number stated above.



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

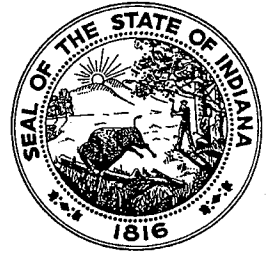
An informal conference has been scheduled with IOSHA to discuss the safety order(s) issued on 04/14/2009. The conference will be held at the IOSHA office located at 402 West Washington Street, Room W195, Indianapolis, IN 46204 on _____ at _____.

Employees and/or representatives of employees have a right to attend an informal conference.

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 312654700
Inspection Dates: 01/28/2009 - 03/26/2009
Issuance Date: 04/14/2009



Safety Order and Notification of Penalty

Company Name: Environmental Construction Inc.
Inspection Site: Carrol & West Street, Carrol Street Water Main Project,
Wabash, IN 46992

Safety Order 1 Item 1 Type of Violation: **Serious**

IC 22-8-1.1 Section 2 : The employer did not furnish employment and a place of employment which were free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that :

Carroll & West Street Intersection ----- On 01/27/09 one employee was in an excavation to cut and cap a section of 10 inch pvc pipe that had a hydra-stop in the line, the joints of pipe were not restrained in ^aany manner to prevent them from moving from the potential energy of the water pressure behind the hydra-stop and when a section of the pipe was cut away the 10 inch pvc pipe moved from a bell joint, trapping the employee's hand between the pipes where the section had been removed, which resulted in him drowning when the excavation filled with water. Among other methods, one feasible and acceptable abatement method to correct this hazard would be to restrain the pipe joints using an appropriate restraining device according to specifications in "Restrained Joint Calculations" listed in the Indiana American Water Company Wabash Operations 2008 Water Main Replacement Program blueprints drawn up by GRW Engineers, Inc. Another acceptable means of abatement would be to follow 29 CFR 1910.147(d)(5)(i) which requires protecting employees from potential sources of energy after the installation of an energy isolation device.

Date By Which Violation Must be Abated:
Proposed Penalty:

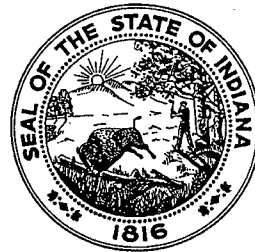
Corrected During Inspection
\$2,000.00

See pages 1 through 3 of this Safety Order and Notification of Penalty for information on employer and employee rights and responsibilities.

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 312654700
Inspection Dates: 01/28/2009 - 03/26/2009
Issuance Date: 04/14/2009



Safety Order and Notification of Penalty

Company Name: Environmental Construction Inc.
Inspection Site: Carrol & West Street, Carrol Street Water Main Project,
Wabash, IN 46992

Safety Order ^{TW} ^{SW} Item 1 Type of Violation: **Repeat**

29 CFR 1926.652(a)(1): Each employee in an excavation was not protected from cave-ins by an adequate protective system designed in accordance with 29 CFR 1926.652(c). The employer had not complied with the provisions of 29 CFR 1926.652(b)(1)(i) in that the excavation was sloped at an angle steeper than one and one-half horizontal to one vertical (34 degrees measured from the horizontal):

Carroll & West Street ----- On January 27, 2009 an employee was working in an excavation approximately 6 feet wide, 8 feet 4 inches long and 5 feet 5 inches deep without any type of cave in protection.

Environmental Construction Inc. was previously cited for a violation of this Occupational Safety and Health Standard or its equivalent Standard 1926.652(a)(1), which was contained in OSHA inspection number 311882146, citation number 1, item number 3, issued on 08/01/2008, with respect to a workplace located at Country Club Rd. & E. 32nd St., Muncie, IN 47303.

Date By Which Violation Must be Abated:
Proposed Penalty:

Corrected During Inspection
\$20,000.00

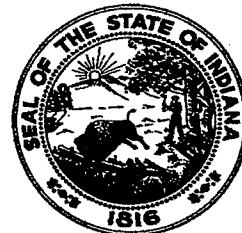
A handwritten signature in black ink, appearing to read "Jerry Lander", written over a horizontal line.

Mr. Jerry Lander
Director of Construction Safety Compliance

See pages 1 through 3 of this Safety Order and Notification of Penalty for information on employer and employee rights and responsibilities.

Indiana Department of Labor

Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2571
Phone: 317/232-1979 Fax: 317/233-3790

**INVOICE/DEBT COLLECTION NOTICE**

Company Name: Environmental Construction Inc.
Inspection Site: Carrol & West Street, Carrol Street Water Main Project, Wabash, IN 46992
Issuance Date: 04/14/2009

Summary of Penalties for Inspection Number 312654700

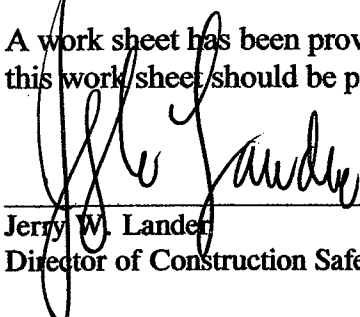
Safety Order 01, Serious	=	\$2,000.00
Safety Order 02, Repeat Serious	=	\$20,000.00
Total Proposed Penalties		\$22,000.00

Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Make your check or money order payable to: "Indiana DOL/IOSHA". Please indicate IOSHA's Inspection Number (indicated above) on the remittance.

IOSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Corrective action, taken by you for each alleged violation should be submitted to this office on or about the abatement dates indicated on the Safety Order and Notification of Penalty.

A work sheet has been provided to assist in providing the required abatement information. A completed copy of this work sheet should be posted at the worksite with the safety order(s).


Jerry W. Lander
Director of Construction Safety Compliance

Date 4-14-09